

Exhibit 220

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3 COMMODITY FUTURES TRADING COMMISSION

4 -----x

5 IN THE MATTER OF:

6 RETAIL FOREX FRAUD

7 -----x

8

9

140 Broadway
New York, New York

10

11

April 7, 2016
9:44 a.m.

12

13

DEPOSITION of JOHN DITTAMI, the witness

14

herein, taken by the Commodity Futures Trading

15

Commission, pursuant to Agreement, held at the

16

above-noted time and place, before a Notary Public

17

of the State of New York.

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1 John Dittami

2 Rosenfeld, I'm sorry?

3 A J. Rosenfeld is an accountant at
4 FXCM.5 Q J. Rosenfeld types at the end of the
6 chat that "FXCMs will be," quote, "'tracking your
7 expenses and income for now so that we can see if
8 21 fee should be adjusted,'" close quotes. Do you
9 see that?

10 A Yes, I see that.

11 Q Why is FXCM tracking your profits
12 and expenses?13 A They shouldn't be, actually never
14 gave them ever any income statements. You can see
15 in this e-mail I'm saying we're a separate entity,
16 separate funding, what do you need this for.

17 Q So this information was never given?

18 A I never gave them income statement.
19 I gave them revenue numbers sometimes through
20 weekly updates, but I never gave them our expenses
21 and I never gave them net income, I only gave them
22 revenue ad hoc and not week through weekly
23 updates.

24 Q Through weekly updates?

25 A Through weekly updates but they

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1 John Dittami

2 weren't regularly consistent. They've never seen
3 or requested my -- they've certainly never seen my
4 income statements and balance sheets.

5 Q Do you know whether they would be
6 wanting to track your payments and expenses so
7 that the rate you were paying could be adjusted to
8 a 70/30 split?

9 A Yeah, I think so. I think they
10 wanted to know how to position their negotiation
11 power, I think they wanted to make sure that I'm
12 not taking advantage of them just like I'm trying
13 to protect against being taken advantage by them.
14 They want to know so that they wanted to be able
15 to negotiate.

16 Q Can I have the exhibit back.

17 MR. DALY: Actually, before you
18 return this exhibit.

19 BY MR. DALY:

20 Q I just want to track the timeline of
21 Exhibit 15 with you, Mr. Dittami. At 17:13:27 the
22 top e-mail appears -- the top e-mail appears to
23 have a time stamp of 17:13:27, correct?

24 A Correct.

25 Q That's where J. Rosenfeld asks you,

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1 John Dittami

2 that isn't their business.

3 Q Does Exhibit 22 refresh your
4 recollection that you continued to use FXCM's
5 instant messenger service until at least August
6 31, 2011?

7 A Yes, that sounds --

8 Q Do you know to what date Effex
9 Capital employees continued to use FXCM's instant
10 messenger?

11 A I don't know to what date they
12 continued to.

13 Q Do you know what year?

14 A I don't know what year. I believe
15 it would have been past 2011 though. I believe it
16 would have been 2012 but I don't know what year.

17 Q When Effex Capital was formed how
18 was it capitalized?

19 A How was it capitalized. Well, with
20 my personal funds, John Dittami personal funds,
21 the only owner, et cetera there. The trading
22 margin which is not Effex Capital, the trading --
23 getting a line to do trading was through that
24 Effex prime account, that's my line to do trading
25 but that's not my capital.

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1 John Dittami

2 Q How much was that line?

3 A That was the \$2 million and, again,

4 I don't know if it's an accounting entry or real

5 entry, I don't understand in the FXCM systems but

6 the funds to run the business are my personal

7 funds.

8 Q When it started operations did Effex

9 Capital have it's own prime brokerage account?

10 A When it started business it had a

11 prime brokerage account that was a prime FXCM

12 prime and instantly we started setting up the

13 instant process and going through the negotiations

14 with Citi by mid or July, I'm estimating roughly

15 in July we had our own prime brokerage account

16 with Citi. Before that we had a prime brokerage

17 of prime account through FXCM and then we went to

18 a -- finished our credit review, finished all of

19 our paperwork with Citi and had a full on, full

20 fledged tier one prime by July 2010. We no longer

21 needed a prime of prime brokerage middleman.

22 (E-mail dated 7/26/10 marked Exhibit

23 23 for identification.)

Q Let me show you what I've marked a

25 Exhibit No. 23. It's an e-mail dated July 26,